

AN ACT in relation to air transportation.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 1. Short title. This Act may be cited as the
I-FLY Act.

Section 5. Findings. The General Assembly finds that,
in order to create, retain, and stabilize reliable air
service to commercial service airports outside of Cook
County, improve accessibility to business and industrial
centers, augment the State's tourism industry, and encourage
the development of facilities and support initiatives for
community growth, cooperation between the State, airports,
and communities is essential. The General Assembly further
finds that a State grant program is the best method to
achieve these ends.

Section 10. Definitions. As used in this Act:

"Air carrier" means an entity that provides commercial
passenger air transportation.

"Commission" means the Air Service Commission.

Section 15. I-FLY Fund.

(a) The I-FLY Fund is created as a special fund in the
State treasury. Moneys may be deposited into the Fund from:
(1) appropriations made by the General Assembly and units of
local government to the Fund, (2) federal moneys designated
for the Fund, and (3) any grants or gifts designated for the
Fund.

(b) The moneys in the Fund shall be used by the
Commission, subject to appropriation, for air carrier
recruitment and retention program grants and for planning

grants.

Section 20. Air Service Commission. There is created the Air Service Commission. The Commission shall consist of 5 members, each of whom has airport management or air carrier experience, or both. The members shall be appointed by the Governor, with the advice and consent of the Senate, each one from a different geographical region of the State outside of Cook County. The Governor shall designate one of the members as the chairperson.

Members shall serve for a term of 4 years, except that, for the initial members appointed, one shall serve for a term of 5 years, one for a term of 4 years, one for a term of 3 years, one for a term of 2 years, and one for a term of one year. Initial terms shall commence on July 1, 2003. Each member shall serve until a successor is appointed and qualified. Vacancies shall be filled in the same manner as initial appointments. The members shall not receive a salary but shall be reimbursed for the necessary expenses incurred in the performance of their duties.

The Commission shall administer this Act and is authorized to do all things reasonable and necessary to accomplish the goals of the I-FLY Program.

Section 25. I-FLY Program.

(a) The Commission shall establish the I-FLY Program. The Program shall consist of the following components:

- (1) air carrier recruitment and retention grants as described in subsection (c); and
- (2) planning grants under subsection (d).

The Commission may make grants under this Act only to airports that are located completely outside of Cook County.

(b) During any one-year period, an airport may receive a grant for only one of the 2 components specified in

subsection (a).

(c) Air carrier recruitment and retention program grants.

(1) An airport may receive an air carrier recruitment and retention program grant from the Commission only if:

(A) it is capable of supporting takeoffs and landings by aircraft that have at least 19 passenger seats or have made improvements or commitments to the Commission to provide this capability; and

(B) it has a commitment from an air carrier to start or continue air service to the community that the airport serves subject to financial support from the State and from the airport or unit of local government that the airport serves. The commitment must specify that the air carrier would not provide or continue to provide service to the community if financial assistance were not available.

(2) An application for an air carrier recruitment and retention program grant must contain commitments from the airport or the unit of local government in which the airport is located as to the amount of the total project cost, the contribution from the unit of local government or airport, the method in which the contribution from the airport or unit of local government will be generated, and the requested State contribution.

(3) The air carrier recruitment and retention program grant shall be used to guarantee the financial viability of air carriers providing reasonable air service at the airport. A grant under this subsection (c) to a particular airport may be in only one of the following 3 forms:

(A) A grant may be used to guarantee that an air carrier shall receive an agreed amount of

revenue per flight.

(B) A grant may be used to guarantee a reduced or subsidized consumer ticket price.

(C) A grant may be used to guarantee a profit goal established by the air carrier and airport.

(4) During the first year of a grant under this subsection (c), the grant shall pay 80% of the total cost of the guarantee and the airport or unit of local government in which the airport is located shall pay 20% of the total cost of the guarantee. During the second year of a grant under this subsection (c), the grant shall pay 50% of the total cost of the guarantee and the airport or the unit of local government in which the airport is located shall pay 50% of the total cost of the guarantee.

(5) The total State funding for a grant under this subsection (c) to a particular airport may not exceed \$1,000,000 in any year.

(6) An airport that has received a 2-year grant under this subsection (c) may apply for another grant for an additional 2-year period; however, the Commission shall, in determining whether to make a grant for an additional 2-year period, give priority to other airports that have not previously received a grant under this subsection (c). The Commission shall also give priority in making grants under this subsection (c) to airports at which the Commission determines that a 2-year grant may result in the creation of stable and reliable commercial air service without an additional grant.

(d) Planning grants. An airport may apply for and receive a planning grant to conduct feasibility studies or business plans designed to study the recruitment, retention, or expansion of an air carrier at the airport. To be eligible for a grant under this subsection (d), the airport must have

the potential for initial or expanded air service as the Commission determines through its evaluation process. The grant shall pay 70% of the total cost of the feasibility studies or business plans and the airport or the unit of local government in which the airport is located shall pay 30% of the total cost of the feasibility studies or business plans. An airport may receive only one planning grant.

Section 90. The State Finance Act is amended by adding Section 5.595 as follows:

(30 ILCS 105/5.595 new)

Sec. 5.595. The I-FLY Fund.

Section 99. Effective date. This Act takes effect upon becoming law.